

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – DETROIT

FILED (1)

2014 AUG 18 P 3:54

U.S. BANKRUPTCY COURT
E.D. MICHIGAN – DETROIT

In re:

)
) Case No. 13-53846
)

CITY OF DETROIT, MICHIGAN,)

) In Proceedings Under Chapter 9
)

Debtor,)
)
-----)

) Hon. Steven W. Rhodes
)
)

CONSTANCE M. PHILLIPS, CITY OF DETROIT RETIREE PRESENTS A
MOTION
REQUESTING PARTICIPATION IN THE CONFIRMATION HEARING
FOR CREDITORS WHO FILED OBJECTIONS
WITHOUT AN ATTORNEY

FOLLOWING THE REQUISITES SET FORTH BY HONORABLE
STEVEN W. RHODES, UNITED STATES BANKRUPTCY JUDGE,
INFORMATION IS GIVEN AS NOTED:

The motion shall include:

1. The names of the witnesses sought to be questioned or presented;

The name of my witness is Constance M. Phillips. My witness is myself. I am a recent Retiree from the City of Detroit. I completed and signed all required documents with the City of Detroit Pension Board on March 15, 2012. Upon Retirement, my job classification was General Manager.

2. The subject matter of the proposed testimony;

The subject matter of the proposed testimony denotes documentation identifying that I was determined eligible to receive a full City of Detroit pension. I remain in that status. Proposed reduction in the pension, per se will cause a financial hardship. Currently, I must pay for self-health insurance. I am not 65 years old and ineligible for Medicare. I do have two pre-existing medical conditions which I will have for the remainder of my life.

3. The expected duration of the testimony;

The expected time duration of the testimony is estimated to take between ten to twelve (10-12) minutes.

4. An explanation of why the proposed evidence will not be duplicative of other evidence;

First, I am an individual. My financial circumstance does not equate to every other City of Detroit Pensioners. It is true that we are a group of persons whose retirement livelihood is gravely threatened but I still remain as a single individual. Further reductions in the pension and other benefits will affect my ability to pay requisite monthly expenses.

The current bill of \$616.30 for health now has a modest offset of the City of Detroit stipend of \$175.00 per month. The self-insurance payment of \$414.30 will be in effect for me until December 2014. After that point in time, I will be responsible for paying \$616.30 for approximately six months, as my birthdate will be at the end of May, 2015. This amount for six months will total \$3,697.80.

Secondly, since, the “Bankruptcy Proceedings” began in July, 2013, I have exercised due diligence in learning about the process to fight for my rights: reading all pertinent news articles, viewing television coverage on local Channels 2, 4, and 7; attending court hearings six to eight times, testifying extemporaneously at the request of the Bankruptcy Judge and via invitation from the Bankruptcy Judge. I have also filed several objections with the Bankruptcy Clerk.

At no time during my employment with the City of Detroit was I informed that “earned pension and health care coverage” would be reduced or eliminated based on the shortfall on the part of the City. I started working in 1991 through 2006, when I was laid off. I returned to City employment in 2010 and retired in 2012. The General Retirement System has Pension Funds!

While employed with the City of Detroit, I worked for the Department of Human Services, the Department of Health and Wellness Promotion and the Housing Commission. All three City departments had the majority of their funds secured through federal grant dollars.


Finally, during the “Bankruptcy Proceedings” fiscal information documents have been continually mailed to me indicating that I am a Pensioner of record.

5. A list of the exhibits to be offered into evidence during the proposed testimony.

- EXHIBIT ONE (7/15/2014) –TESTIMONY OBJECTING TO BANKRUPTCY PROCESS


- EXHIBIT TWO (7/07/2014) – BALLOTS (COPIES OF THE WHITE, BLUE AND THE REPLACEMENT PINK BALLOT WITH NEW COMPUTED FIGURES)
- EXHIBIT THREE (6/10/2014) –INVITATION TO TESTIFY WITH A SELECT GROUP EXTENDED BY THE BANKRUPTCY JUDGE, HON.STEVEN W. RHODES
- EXHIBIT FOUR (4/28/2014) – OBJECTION – PLAN OF ADJUSTMENT DOCKET 4274
- EXHIBIT – FIVE (4/01/2014) (OBJECTION - PLAN OF ADJUSTMENT DOCKET 2708
- EXHIBIT – SIX (4/01/2014) – OBJECTION – DISCLOSURE STATEMENT DOCKET 2709
- EXHIBIT –SEVEN (2/21/2014) PROOF OF CLAIM
- EXHIBIT – EIGHT (2/21/2014) COPY OF RETIREMENT DOCUMENTS SIGNED WITH THE CITY OF DETROIT (3/15/2012)

Date: 8/18/2014

Signature: 
 Name: Constance M. Phillips (no.2980)
 Address: 2720 E. Lafayette #103
 Detroit, Michigan 48207

CERTIFICATE OF SERVICE

I hereby certify that on August 18, 2014 , I filed a Motion requesting Participation in the Confirmation Hearing for Creditors Who Filed Objections Without An Attorney. I also certify that on August 18, 2014, I served parties serving as Attorneys for the City of Detroit as noted on the Court's website by placing these documents in a US mail box in the City of Detroit, Michigan. I declare the foregoing statement to be true to the best of my information, knowledge and belief.

By: 
Constance M. Phillips
City of Detroit Retiree
Court Assigned No. 2980
2720 E. Lafayette #103
Detroit, Michigan

(18)
Dated: August 18, 2014

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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:
City of Detroit, Michigan,
Debtor.

Chapter 9
Case No. 13-53846
Hon. Steven W. Rhodes

Order Regarding Participation at the Confirmation Hearing
by Creditors Who Filed Objections Without an Attorney

Creditors without attorneys filed more than 600 timely confirmation objections. In an effort to address both the rights of those objecting creditors to be heard and the necessity of orderly process:

It is hereby ordered that the following procedures shall apply to any such creditor's request to present evidence at the confirmation hearing, by either (1) presenting his or her own witnesses (including himself or herself), or (2) questioning other parties' witnesses.

1. Such a creditor may file a motion requesting to participate in the confirmation hearing.
2. **August 18, 2014** is the deadline to file such motions.
3. The motion shall include:
 - a. The names of the witnesses sought to be questioned or presented;
 - b. The subject matter of the proposed testimony;
 - c. The expected time duration of the testimony;
 - d. An explanation of why the proposed evidence will not be duplicative of other evidence; and
 - e. A list of the exhibits to be offered into evidence during the proposed testimony.
4. The Court will promptly enter an order resolving any such motion.
5. The clerk shall serve this order by first class mail upon all creditors who filed timely objections to confirmation without an attorney.

Signed on August 7, 2014

/s/ Steven Rhodes

Steven Rhodes
United States Bankruptcy Judge

EXHIBIT ONE (7/15/2014)
TESTIMONY
OBJECTING TO BANKRUPTCY PROCESS

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re: Constance M. Phillips
Docket No. 2980
City of Detroit, Michigan,
Rhodes

Chapter 9
Case No. 13-53846
Honorable Steven W.

Notice of Hearing to Individuals Who Filed Plan Objections
Option B Participant (7/15/2014)

For the record, thank you for another opportunity to share my objections and thoughts regarding the City of Detroit's Plan of Adjustment as related to the 2013-2014 Bankruptcy Proceedings.

- I. **PERSONAL HISTORY**— My name is Constance Mary Phillips. I am a fairly recent City of Detroit Retiree. I concluded employment with the City of Detroit's Department of Human Services in February of 2012. At the time, I was employed as a General Manager. I chose to select one of the particular Retirement Options offered by the then Mayor Dave Bing to "older workers". I retired signing all appropriate and required documents with the Pension Board noting that I would have a pension, medical coverage including dental and vision services, as well as a death benefit allowance. I planned my retirement based on both the estimated and actual figures made available to me at that time. * Note: Throughout my career with the City of Detroit as an administrator, since 1991 I continually received updates about the Pension Plan and the estimated income I would receive at the time of retirement.

I have chosen to formally object to this entire process based upon both a family and educational history afforded to me.

Over 50 years ago, as a child I was taken to Civil Rights meetings and marches without really knowing why to learn about the importance of “Civil Rights” and how to fight for them. In this last year, I have chosen to come to Federal Bankruptcy Court to learn about the process gathering my own information. I chose to submit several written objections to this process denoting that time limits will not coincide with longevity rates of participating Retirees and financial limits will place persons in poverty who previously did not live at poverty levels. Moving forward we are at this juncture, when “ ballots were distributed and the votes have been submitted to KCC

—

Kurtzman, Carson and Consultants, located in El Segundo, California. Supposedly, we are now to wait for “the vote” to be tallied and reported so that we may soon have with the worse case scenario an immediate 27% reduction in our pensions.

- II. FACTS AND FIGURES - (excel file computations) – Computations were devised noting the devastating burdens which are now upon an average Retiree who could or actually does receive an annual pension of \$21,674.52 at this point. What does the financial picture look like if one incurs a 4.5% reduction in a pension? Also What does the financial picture look like if one incurs a 27% reduction in a pension? People always look for and understand facts and figures, dollars and cents. Emotions are often considered irrelevant!

A sample depiction of a Retired Manager’s Salary as it receives a 4.5% or a 27% deduction however the “ballot vote” may decide is noted.

(Insert the one page chart at this juncture.)

(Insert the large print pages from LKR with the corrections as deemed appropriate at this juncture.)

BANKRUPTCY FINANCIALS – LONG NARRATIVE FORM

THE EFFECTS OF THE PROPOSED CHANGES ON THE PENSION OF A RETIRED CITY WORKER – SAMPLE/EXAMPLE

THE PENSION IN JULY 2014 – No Deductions

A person who has worked for the City of Detroit 17 – 20 years, in management positions, making an income that averaged \$65,000 to \$70,000 at full salary rate. Retirement occurred before age 65 and 30 years of service. Thus, a reduced pension can exist.

Gross: \$1806.21

Deductions:

Taxes:

Fed. \$204.93

State: \$76.76:

Tax percentage Federal + State = 15.5956%

BCBS

(Dental): \$26.71

Death

Benefits: \$0.09

Net: \$1497.72 (Budget for Costs for the Month)

Annuity

Payback: **\$58.00 (monthly - undetermined period of time)- starting now**

Medical

Insurance: \$616.30 (out of pocket) – (Self- Insurance w/HAP) -1 person

Adjusted

Net: **\$823.42 monthly**

Annual

Adjusted

Income: \$9881.04

THE PENSION IF RETIREES VOTE "YES" ON FOUNDATION MONIES
ALL BALLOT RECIPIENTS VOTE YES

The percentage of foundation monies to be allocated to the pension fund is unspecified.

The length of time the foundation monies would be used to augment the pensions is unspecified.

The amount of the pension gross will be reduced by 4.5%

Old

Gross: \$1806.21

4.5% of

Gross: -\$81.28

Gross –

4.5%: \$1724.93

New

Gross: \$1724.93

Deductions:

Taxes

Fed. + St.: \$269.01 (which is 15.5956%)

BCBS

(Dental): \$26.71

Death

Benefits: 0.09

Net: \$1429.12 (Budget for the Month)

Annuity

Payback: - \$58.00

**Medical
Insurance:** - \$616.30 (out of pocket) (Self- Insurance Continues)

**Adjusted
Net:** \$754.82 monthly

**Annual
Adjusted
Income:** \$9057.84

**THE PENSION IF RETIREES VOTE "NO" ON FOUNDATION MONIES
AS WELL AS OTHER BALLOT RECIPIENTS**

The amount of the pension gross will be reduced by **27%**.

Old

Gross: \$1806.21

27% of

Gross: -487.68

Gross —

27%: \$1318.53

New

Gross: \$1318.53

Deductions:

Taxes \$1314.88

Fed. + St.: 205.56 (which is 15.5956%)

BCBS

(Dental): 26.71

Death

Benefits: 0.09

Net: \$1086.17

Annuity

Payback: -\$58

Medical

Insurance: -\$616.30 (Medical Self-Insurance Continues w/ HAP)

Adjusted

Net: \$411.87 monthly

Annual \$4,942.44 (Annual Adjusted Income)

A quick review of the figures that a Retired Worker may soon work with for a minimum of nine to ten years is a perfect lead to my concerns about the millions which have been paid and must still be paid to a plethora of legal and consulting firms. The list reviewed does not include the rates paid to the team members, Consultants recruited and currently working with Mr. Kevyn Orr, Detroit's Emergency Manager. It was noted in the papers, the Detroit News and the Free Press as well as through the electronic media that his team were recently awarded a 5% increase in salaries across the board. Those of us who were former City workers/employees did not automatically receive raises during budgetary downturns when persons had not been on staff for several months to a year in tenure. Others working in the City structure who used to have Civil Service status will also get a 5% increase. This increase comes after workers have had Furlough Days (10% salary cuts) for about four years and are now experiencing increases in their respective health care costs. In my opinion, their 5% increase is with merit.

It is noted that the Retirees were not offered an opportunity to have an increase in Pension Payments; let alone receive a 5% increase. For about a year there has been an inordinate focus of the Bankruptcy on the Backs of Retirees. We as a group are constantly being told, "We are oh so expensive to maintain, etc. etc. etc."

BUT, BUT, BUT, BUT

The City of Detroit has had astronomical expenses and fees, most of which have already been paid. The media reported that over \$75 Million had been spent. The total equals \$79,973, 537.31 charged with \$63, 665, 187.04 paid to date. Did Detroit get the best service for the money spent?

BANKRUPTCY EXPENSES AND FEES

- Who appointed these firms?
- What are these firms doing to further the bankruptcy proceedings?

- Are the total expenses and fees just to date, or are they all inclusive of the work that they feel still must be done?
- What is the end result the City of Detroit can expect from the millions of dollars being charged by these firms?

Segal Consulting

- Total expenses and fees: \$2,384,317.58
- Paid to date: \$2,051,062.87

Miller, Canfield, Paddock and Stone PLC

- Total expenses and fees related to Detroit's Chapter 9 bankruptcy filing and how much of that has been paid so far:

Jones Day

- Total expenses and fees: \$31,341,188.78
- Paid to date: \$26,006,669.86

Ernst & Young LLP

- Total expenses and fees: \$12,166,901
- Paid to date: \$9,494,451

Conway MacKenzie Inc.

- Total expenses and fees: \$10,364,365.12
- Paid to date: \$7,125,639.60

Dentons

- Total expenses and fees: \$8,863,665.57
- Paid to date: \$7,748,639.50

Miller Buckfire & Co. LLC

- Total expenses and fees: \$5,040,063.06
- Paid to date: \$3,427,757.09

Total expenses and fees: \$2,553,050.71

- Paid to date: \$2,059,808.57

Lazard Freres & Co. LLC

- Total expenses and fees: \$1,656,118.00

- Paid to date: \$931,327.79

Pepper Hamilton LLP

- Total expenses and fees: \$1,563,295.99

- Paid to date: \$1,331,083.06

Milliman Inc.

- Total expenses and fees: \$1,246,152.61

- Paid to date: \$934,588.84

Kurtzman Carson Consultants LLC

- Total expenses and fees: \$1,159,243.11

- Paid to date: \$758,069.81

Brooks Wilkins Sharkey & Turco PLLC

- Total expenses and fees: \$555,788.10

- Paid to date: \$475,099.02

Foley & Lardner LLP

- Total expenses and fees: \$162,236.00

- Paid to date: \$152,619.40

Kilpatrick & Associates PC

- Total expenses and fees: \$79,323

- Paid to date: \$78,235.22

Ottewess, Taweel & Schenk PLC

- Total expenses and fees: \$25,105.10

- Paid to date: \$25,105.10

Dykema Gossett PLLC

- Total expenses and fees: \$168,892.97

- Paid to date: \$168,892.97

Shaw Fishman Glantz & Towbin LLC

- Gross expenses and fees: \$490,342.10
- Paid to date: \$416,628.68

Kapila & Co.

- Gross expenses and fees: \$153,488.06
- Paid to date: \$130,509.88

Barris, Sott, Denn & Driker PLLC

- Paid to date: \$348,998.78

The total gross and fees charged so far is: \$79,973,537.31

The total paid to date is: \$63,665,187.04

Information was obtained from the Crain's Business Article written by:

Chad Halcom and available through both hard copy and electronic resources on

How can the City of Detroit rationalize taking the pensions of the people, who have run the various departments of city government for most of their working career, down below the poverty level, while paying nineteen law firms and associated consulting firms over \$75 million to put these severe measures in place?

Kindly remember, for all Retired Workers the Federal Poverty Levels as determined by the the U.S. Department of Health and Human Services for 2014 are as noted. The new "fiscal directions" for us can now place some of us in the category of " future service recipients".

Insert federal poverty guidelines here:

One Person - \$11, 670

Two Persons - \$15, 750

Three Persons - \$19,790

Four Persons - \$23, 850

III. NEW DIRECTION- JOBS FOR THE RETIREES

The City of Detroit is moving forward. This is absolutely fantastic. There are a great many stakeholders who are committed to this community. Now, the City elected leadership needs to develop a cadre of jobs for many Retirees to secure which will allow persons to use electronic media to be of service to the City. Computer technology should be devised to allow for certain Retirees to once again work to overcome some of the drastic cuts which "the Bankruptcy" has imposed on their lives. Task forces have been established for several community topics, this is one more. Use all resources available to make viable jobs happen: the Area Agency on Aging Network, the Workforce Development Department, the State Michigan Works, the local community colleges and universities. Persons receiving a pension may need to work without censure of the "now modest" pensions to live. Consider a new work direction for those with interest and ability to use basic computer technology. Other ideas can be generated as well!

IV. OBJECTION OPPORTUNITIES (Dates and Info. Synopses)

A brief chronology of dates and summary statement for each is given with more detail noted further in this section.

7/15/2014 Invitational Opp. to Attend Hearing w/Objections

7/07/2014 Statement of Objection to Voting Process w/ Ballot

5/2014 Invitational Opp. For Telephone Conf. Call w/KCC

4/28/2014 Objection filed w/ Bankruptcy Clerk, Detroit, MI.

3/2014 Letter Sent to Det. Attorneys – Miller, Canfield

4/01/2014 Objection filed with Bankruptcy Clerk, Detroit, MI.

2/20/2014 Objection filed w/ Bankruptcy Clerk, Detroit, MI.

On 7/15/2014 - I decided to accept the invitation to present remarks before the Federal Bankruptcy Court, Docket number #2980.

On 7/07/2014 - I submitted a ballot to Kurtzman, Carson and Consultants. I stated that “I worked for an earned viable pension not in my current understanding for projected pittance”. The pension was earned not a gift but in actuality a delayed benefit. I included a statement that inquired as to why legal firms were reportedly getting millions of Detroit dollars?! I also wanted to know how were these legal firms and consultation firms selected and getting paid as the City of Detroit is not fiscally solvent and unable to truly, currently “pay bills”.

On ___5/2014_____ – I was invited to participate in an invitational telephone conference call with attorneys from the Jones Day legal firm through the Kurtzman, Carson Consulting firm. The comments previously submitted to the court by the small group of eight to ten persons served as our agenda to address our concerns. My main concerns were the time limits of 10-20 years to receive a pension and the potentiality of Retirees becoming poverty-stricken persons. Participants objected to both “the Plan and the Disclosure Statement”.

On 4/28/2014 – I filed an Objection to the City’s Third Amendment, filed with the court 4/25/2014. I did not retire to receive any projected reductions in my earned Detroit pension. I did not earn an education at both the undergraduate and Master’s Degree level to now have a real possibility of living at a federal poverty level. I did not retire with an inclusionary health

On 4/1/2014 I filed Objections to the Plan in addition to a Claim for benefits which in essence also objected to the Bankruptcy Process. I was adamant that a

-a 34% reduction in the Detroit pension was unacceptable.

-an Education at the Master's Degree level had been obtained and did not warrant a "pittance" payment after work was accomplished.

-a career in administration as well as generating grant dollars for the city over 25 million.

a career in administration as well as generating grant dollars for the city over 25 million.

- to now live at a poverty level is unconscionable.

Six out of 40 points are highlighted today.

- Point 15 – I questioned the balloting process, I wondered why tallies needed to occur so far away from Detroit. Now that it has occurred; I suppose that I must prepare for a 27% reduction in my pension. Statistically speaking it is very rare for a 100% return on surveys, questionnaires, votes, etc.
- Point 60 – I wanted more definitive information about the Detroit VEBA (Detroit Voluntary Employees Benefit Association) it will address benefits – health for those 65 years old and over, Dental, Vision, and Death. To date, this entity is not crystallized.
- Point 80 – Website access for information. I recommended that paper copies of key documents also be made available to Retirees and other concerned parties. An assumption that "everyone" has internet access is not wise. <http://www.Kccllc.net/Detroit> is where we all must go to get information. Kurtman, Carson and Consultants is located in El Segundo, California. (Originally, I thought documents received were so sort of advertisement, not a key business item re: "bankruptcy".
- Point 192 – GRS (General Retirement System Restoration Payment. A rate of 80% in 10 years was referenced. No inclusion of the remaining 20% was noted. I obtained City

Employment with a professional classification in 1991; I incurred Days Off Without (DOWOP) Pay in 1992. Restorations of my full salary never occurred when I left City Employment after about 17 years of service. If some restorations occurred, I may have had a higher pension! I doubt if the restorations will take place as the Bankruptcy Process progresses and concludes.

- Restorations of my full salary never occurred when I left City Employment after about 15 years of service. If some restorations occurred, I may have had a higher pension! I doubt if the restorations will take place as the Bankruptcy Process progresses and concludes.
- Point 247 – State GRS Consideration; referenced as relates to an anticipated payment to Detroit by the State. A linkage reference to Federal Poverty levels was once again given. It refers that pension assistance will occur if one is at the poverty level.
- Class 4 HUD Installment Note Claims – Two downtown Detroit hotels owe the City money to repay loans provided to them. In this entire year; I have not seen any information that these three significant loans have not been repaid; even a partial payment made.

• Book Cadillac Note I	\$ 7, 486, 218.00
• Book Cadillac Note II.	\$10, 938, 812.00
• Fort Shelby Note	<u>\$18, 664, 190.00</u>
• TOTAL AMOUNT	\$37, 089, 220.00

On 2/21/2014 I filed a claim with the US Bankruptcy Court for fiscal benefits. Highlights of the submission included:

The court required form B10.

A financial table of monthly deductions as noted on my City of Detroit pension check.

Copies of documentation indicating current self-insurance with the Health Alliance Plan; acceptance for coverage and specific monthly premium amounts.

Copies of all forms completed with the Pension Fund denoting that I was and continue to be eligible for apension .(Application for Service Retirement, Unused Sick Pay Leave Options Form, Optional Contribution Plan (Annunity Fund), Withholding Statement for Federal and State tax deductions, Hospitaliztion with HAP, Eye Care Coverage with Heritage Optical, Dental Coverage with DenCap, Birth Certificates for myself and a beneficiary, a MetLife Benefit Individual Policy, and City of Detroit Retiree Health Enrollment Forms.

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• TOTAL AMOUNT	\$37, 089, 220.00

V. Foundations – The local foundation community and business community are to be commended for stepping forward to save the DIA and incidently also assisting the Retiree Systems. What skill base do they have to administer a retirement system.? With an additional administrative layer; what cost will this accrue to retirement systems?

VI. Ending Note _ Job Strategies for Retirees experiencing financial pension losses

What will they be?

Shouldn't they be considered

Have the Retirees be on the Internet Highway for the Best Benefits for the City of Detroit!


Have the City Stakeholders move forward to address a business perspective for former Civil Service Employees.

Persons can not rely on the "Pensions"

Develop a Task Force including all entities that have either worked with an older population or have researched the population.

Area Agency on Aging, local universities – Wayne State University, University of Michigan, community colleges in the tri-county area, businesses, AARP etc, etc. THE DETROIT POPULATION BASE IS AN OLDER POPULATION.

**** It was requested to have permission to have this testimony and the given attachments of a financial table, the listing of firms (legal & consulting) being paid almost \$79,000,000 and the federal poverty guidelines from the U.S. Department of Health and Human Services. Permission was granted.**

Signed: 
Constance M. Phillips 7/15/2014

BANKRUPTCY PRESENTATION - FEDERAL COURT HEARING 7/15/2014

GIVEN BY: CONSTANCE M. PHILLIPS -DOCKET NO. 2980

ANNUAL SALARY \$1,806.21/MONTH X 12 MONTHYS = \$21, 674.52 - RETIRED MGR. - DETROIT.

JULY, 2014 PENSION		w/ 4.5%		w/ 27%	
w/o BANKRUPTCY		BANKRUPTCY		BANKRUPTCY	
DEDUCTIONS		DEDUCTION		DEDUCTION	
21,674.52					
GROSS	1,806.21	OLD GROSS	1,806.21	OLD GROSS	1,806.21
DEDUCTIONS	0	4.5% OF GROSS	-81.28	27% OF GROSS	-487.68
	0	NEW GROSS	1,724.93	NEW GROSS	1,318.53
Federal Tax &	-281.69 *		-269.01		-205.56
State Tax	0		0		0
Dental (BCBS)	-26.71		-26.71		-26.71
Death Benefit	-0.09		-0.09		-0.09
NET:	1,497.72		1,429.12		1,086.17
Annuity	-58		-58		-58
<u>Medical Ins.</u>	<u>-616.3</u> **		<u>-616.3</u> **		<u>-616.3</u>
Adjusted Net.	823.42		754.82		411.87

Annual	\$9,881.04	\$9,057.84	\$4,942.44
Adjusted Income			

* - Federal & State Taxes =15.5956% of Income

** - *Medical Insurance - Self Insurer as Retiree is not 65 Years Old to Qualify for Medicare \$616.30 x 12 = \$7, 395.60 Annual Cost for Premiums*

*** If the \$125.00 Monthly Medical Stipend Continues: \$491.30 x 12 =\$5,895.60.

FILE: BANKRUPTCY FINANCIALS (7-15-2014)

BANKRUPTCY EXPENSES AND FEES

- Who appointed these firms?
- What are these firms doing to further the bankruptcy proceedings?
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- Total expenses and fees: \$8,863,665.57
- Paid to date: \$7,748,639.50

Miller Buckfire & Co. LLC

- Total expenses and fees: \$5,040,063.06
- Paid to date: \$3,427,757.09

Total expenses and fees: \$2,553,050.71

- Paid to date: \$2,059,808.57

Lazard Freres & Co. LLC

- Total expenses and fees: \$1,656,118.00
- Paid to date: \$931,327.79

Pepper Hamilton LLP

- Total expenses and fees: \$1,563,295.99

- Paid to date: \$1,331,083.06

Milliman Inc.

- Total expenses and fees: \$1,246,152.61
- Paid to date: \$934,588.84

Kurtzman Carson Consultants LLC

- Total expenses and fees: \$1,159,243.11
- Paid to date: \$758,069.81

Brooks Wilkins Sharkey & Turco PLLC

- Total expenses and fees: \$555,788.10
- Paid to date: \$475,099.02

Foley & Lardner LLP

- Total expenses and fees: \$162,236.00
- Paid to date: \$152,619.40

Kilpatrick & Associates PC

- Total expenses and fees: \$79,323
- Paid to date: \$78,235.22

Ottenwess, Taweel & Schenk PLC

- Total expenses and fees: \$25,105.10
- Paid to date: \$25,105.10

Dykema Gossett PLLC

- Total expenses and fees: \$168,892.97
- Paid to date: \$168,892.97

Shaw Fishman Glantz & Towbin LLC

- Gross expenses and fees: \$490,342.10
- Paid to date: \$416,628.68

Kapila & Co.

- Gross expenses and fees: \$153,488.06
- Paid to date: \$130,509.88

Barris, Sott, Denn & Driker PLLC

- Paid to date: \$348,998.78

The total gross and fees charged so far is: \$79,973,537.31

The total paid to date is: \$63,665,187.04



HOME / RESEARCH & PUBLICATIONS

Raw Data February 2014

Federal Poverty Guidelines

The new 2014 federal poverty guidelines have been released. The 2013 guidelines are also provided here for reference.

It's important to note that eligibility for Medicaid and the Children's Health Insurance Program (CHIP) is now determined by the 2014 guidelines. Eligibility for advance premium tax credits is determined by 2013 federal poverty guidelines.

State-run health insurance marketplaces should update their standards as soon as possible to align with those of the federally facilitated marketplaces. A short explanation of what these changes mean to consumers is here (via Center for Children and Families).

2014 Federal Poverty Guidelines

Federally facilitated marketplaces will use the 2014 guidelines to determine eligibility for Medicaid and CHIP (this is effective February 10, 2014).

Household Size	100%	133%	150%	200%	250%	300%	400%
1	\$11,670	\$15,521	\$17,505	\$23,340	\$29,175	\$35,010	\$46,680
2	15,730	20,921	23,595	31,460	39,325	47,190	62,920
3	19,790	26,321	29,685	39,580	49,475	59,370	79,160
4	23,850	31,721	35,775	47,700	59,625	71,550	95,400
5	27,910	37,120	41,865	55,820	69,775	83,730	111,640

6	31,970	42,520	47,955	63,940	79,925	95,910	127,880
7	36,030	47,920	54,045	72,060	90,075	108,090	144,120
8	40,090	53,320	60,135	80,180	100,225	120,270	160,360

2013 Federal Poverty Guidelines

Federally facilitated marketplaces will use the 2013 guidelines to determine enrollee Advance Premium Tax Credits amounts as well as cost-sharing reductions (effective for those who enroll in 2014).

Household Size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	15,510	20,628	23,265	31,020	46,530	62,040
3	19,530	25,975	29,295	39,060	58,590	78,120
4	23,550	31,322	35,325	47,100	70,650	94,200
5	27,570	36,668	41,355	55,140	82,710	110,280
6	31,590	42,015	47,385	63,180	94,770	126,360
7	35,610	47,361	53,415	71,220	106,830	142,440
8	39,630	52,708	59,445	79,260	118,890	158,520
For each additional person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

Alaska

Household Size	100%	133%	150%	200%	300%	400%
1	\$14,350	\$19,086	\$21,525	\$28,700	\$43,050	\$57,400
2	19,380	25,775	29,070	38,760	58,140	77,520
3	24,410	32,465	36,615	48,820	73,230	97,640

4	29,440	39,155	44,160	58,880	88,320	117,760
5	34,470	45,845	51,705	68,940	103,410	137,880
6	39,500	52,535	59,250	79,000	118,500	158,000
7	44,530	59,225	66,795	89,060	133,590	178,120
8	49,560	65,915	74,340	99,120	148,680	198,240
For each additional person, add	\$5,030	\$6,690	\$7,545	\$10,060	\$15,090	\$20,120

Hawaii

Household Size	100%	133%	150%	200%	300%	400%
1	\$13,230	\$17,596	\$19,845	\$26,460	\$39,690	\$52,920
2	17,850	23,741	26,775	35,700	53,550	71,400
3	22,470	29,885	33,705	44,940	67,410	89,880
4	27,090	36,030	40,635	54,180	81,270	108,360
5	31,710	42,174	47,565	63,420	95,130	126,840
6	36,330	48,319	54,495	72,660	108,990	145,320
7	40,950	54,464	61,425	81,900	122,850	163,800
8	45,570	60,608	68,355	91,140	136,710	182,280
For each additional person, add	\$4,620	\$6,145	\$6,930	\$9,240	\$13,860	\$18,480

Source: Calculations by Families USA based on data from the U.S. Department of Health and Human Services

Key Issues:

Affordable Care Act

Topics:

Premium Tax Credit

EXHIBIT TWO (7/07/2014)
BALLOTS

**(COPIES OF THE WHITE, BLUE AND THE
REPLACEMENT PINK BALLOT WITH NEW
COMPUTED FIGURES)**

8/18/2014

- **BALLOT STATEMENT PREPARED BY
CONSTANCE M. PHILLIPS ENCLOSED WITH
THE SUBMISSION OF THE REQUIRED PINK AND
WHITE BALLOTS.**
- **MY VOTE WAS NO ON THE BALLOTS.**
- **THE BALLOTS WERE SENT VIA FED EX ON
7/7/2014.**
- ***ATTACH COPIES OF THE BLANK AND SIGNED
BALLOTS AS DOCUMENTATION**

July 7, 2014

CITY OF DETROIT BANKRUPTCY – BALLOTING PROCESSING CENTER
TO WHOM IT MAY CONCERN:

- I HAVE RECEIVED ALL THREE BALLOTS SENT TO ME AND THE ACCOMPANYING MATERIALS.
- I HAVE REVIEWED ALL DOCUMENTS RECEIVED.
- I AM RETURNING BALLOTS INDICATING MY VOTE AS REQUESTED/REQUIRED AS A PENSIONER. REFERENCE: THE WHITE BALLOT AND THE PINK BALLOT WHICH REPLACES THE ORIGINALLY RECEIVED BLUE BALLOT.
- SINCE THE “BANKRUPTCY PROCEEDINGS” WERE INITIATED IN 2013, I HAVE CONTINUALLY SEEN IN THE MEDIA WHERE SEVERAL LEGAL AND CONSULTING ENTITIES HAVE BEEN AND ARE BEING PAID BY THE CITY OF DETROIT.
- WHAT IS THE SOURCE FOR THE “**BUDGET**” TO SUPPORT THESE MILLIONS OF DOLLARS OF EXPENDITURES?
- IN ALL GOOD CONSCIENCE, I COULD NOT VOTE YES FOR THE LIMITED OFFERS MADE. I WORKED FOR AN EARNED VIABLE PENSION, NOT A PITTANCE! IN MY UNDERSTANDING, IT WAS TO BE A DECENT AMOUNT, NOT A GIFT BUT A DELAYED BENEFIT.



CONSTANCE M. PHILLIPS

**CITY OF DETROIT
BLUE BALLOT
INFORMATION CONTENT RECEIVED
BY
CONSTANCE M. PHILLIPS (RETIREE)**

PRF # 65446
Case No.: 13-53846
Svc: 9

PackID: 8330
NameID: 11892346

PHILLIPS, CONSTANCE
2720 E LAFAYETTE ST APT 103
DETROIT, MI 48207-3959

Ballot, Class 11 GRS Pension Claims – Retirees

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

----- X
In re : Chapter 9
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
Debtor. : Hon. Steven W. Rhodes
----- X

**BALLOT FOR ACCEPTING OR REJECTING THE
PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT**

CLASS 11: GRS Pension Claims – Retirees
Claimant's [Name/Identifier]: PHILLIPS, CONSTANCE / 2310
Allowed Claim for Voting Purposes: \$181,094.00

**THE "VOTING DEADLINE" TO ACCEPT OR REJECT THE
PLAN IS 5:00 P.M., EASTERN TIME, ON JULY 11, 2014**

**ALL AMOUNTS STATED ON THIS BALLOT ARE ESTIMATES.
YOUR FINAL, ACTUAL PENSION AMOUNTS WILL BE
DETERMINED BY THE GENERAL RETIREMENT SYSTEM
AFTER THE CITY'S PLAN IS CONFIRMED. YOUR ACTUAL
PENSION AMOUNTS MAY BE MORE OR LESS THAN THE
ESTIMATES CONTAINED IN THIS BALLOT.**

This Ballot is for RETIREES OR SURVIVING BENEFICIARIES WHO ARE CURRENTLY RECEIVING PENSION payments from the General Retirement System of the City of Detroit ("GRS").

GRS Pension Claims are included in Class 11 under the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Plan").¹

Please complete, sign and date the Ballot and mail it by regular mail to Kurtzman Carson Consultants LLC (the "Balloting Agent") in the enclosed addressed envelope so that it is ACTUALLY RECEIVED by the July 11, 2014 Voting Deadline.

DO NOT RETURN THE BALLOT TO THE CITY OF DETROIT, THE BANKRUPTCY COURT OR ANYONE OTHER THAN THE BALLOTING AGENT.

Ballots may not be submitted by fax, email or other electronic means.

Please contact the Balloting Agent if you have questions regarding the ballot return instructions. PLEASE NOTE, HOWEVER, THAT THE BALLOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

¹ Capitalized terms used in this Ballot and the attached instructions that are not otherwise defined have the meanings given to them in the Plan.



1353846140506220827015992

The City of Detroit, Michigan (the "City") is soliciting votes with respect to the Plan, which is described in the accompanying *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Disclosure Statement"). The Disclosure Statement was approved by the Bankruptcy Court on May 5, 2014. By orders entered on March 11, 2014 and May 5, 2014, the Bankruptcy Court approved procedures regarding the solicitation and tabulation of votes on the Plan.

You are receiving this Ballot because you are a retired Holder of a GRS Pension Claim as of March 1, 2014 (the "Pension Record Date").

Your GRS Pension Claim has been temporarily allowed in the estimated amount of \$181,094.00 only for the purpose of voting on the Plan. The actual amount of the claim may change before the end of the bankruptcy case.

The Plan proposes two possible treatments for GRS Pension Claims, described below as "Alternative A" and "Alternative B." The results of the voting on the Plan will determine whether the GRS will receive money from proposed settlements with third-party foundation funders, The Detroit Institute of Arts and the State of Michigan (the "Outside Funding"). The Outside Funding also depends, in part, on Bankruptcy Court approval of the settlements and the fulfillment by the outside funders of their respective commitments.

You cannot avoid a reduction of your pension benefits by refusing to vote. If the Plan is confirmed, your pension will be reduced.

NOTICE REGARDING EFFECT OF VOTING ON RELEASES OF CLAIMS

If you vote to accept the Plan: You may be giving up any right you may have to sue the State of Michigan, the City or other entities specifically protected by the Plan releases, to try to recover the full amount of your pension, only if the necessary conditions (the "Initial Funding Conditions") for the funding from the State and the other Outside Funding parties that can be satisfied before the Confirmation Hearing are satisfied or waived. These preconditions include adoption of relevant legislation and appropriations by the State and completion of necessary agreements and documents by the State and the other Outside Funding parties, among other things.

If you vote to accept the Plan and the Initial Funding Conditions are not satisfied or waived: Your vote will be deemed a vote to reject the Plan.

If you vote to reject the Plan: If you vote to reject the Plan, it will be less likely that the Outside Funding will be available. Nevertheless, if Classes 10 and 11 vote to accept the Plan so that the State funding will be made despite your vote to reject the Plan, you will not have any right to sue the State of Michigan, State officials, the City or other entities specifically protected by the Plan releases to try to recover the full amount of your pension, but you will benefit if the Outside Funding is received.



1353846140506220827015992

ALTERNATIVE A: If both Class 10 (the PFRS Pension Claims) and Class 11 (the GRS Pension Claims) vote to accept the Plan and the Court approves the Plan, the Outside Funding will be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:	\$1,806.21
Line 2: Line 1 multiplied by 0.955 (to show a 4.5% reduction) is:	\$1,724.93
Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***	\$70.30
Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:	\$1,654.63
*** The <u>total</u> Estimated Amount of your Annuity Savings Plan Recoupment is:	\$10,294.69

ALTERNATIVE B: If either Class 10 or Class 11 votes to reject the Plan and the Court approves the Plan, the Outside Funding will not be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:	\$1,806.21
Line 2: Line 1 multiplied by 0.73 (to show a 27% reduction) is:	\$1,318.53
Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***	\$70.30
Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:	\$1,248.23
*** The <u>total</u> Estimated Amount of your Annuity Savings Plan Recoupment is:	\$10,294.69

In addition, if you vote for the Plan and the adjusted pension amount you are to receive under the Plan is so low that your total income falls below a certain level, you may be eligible to receive supplemental payments. These additional payments will not be available to higher income retirees.

For more information regarding the calculation of the amount of your allowed claim and your monthly pension payments, please consult with your counsel and/or counsel to the Retiree Committee.

SUBMITTING YOUR BALLOT:

If you were not retired or a surviving beneficiary as of the Pension Record Date, if you did not hold a GRS Pension Claim as of the Pension Record Date, or if you believe for any other reason that you received the wrong ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.

To have your vote counted, you must complete, sign and return this Ballot in accordance with the voting information and instructions provided below. You must complete your Ballot and return it to the Balloting Agent so that it is actually received by the Voting Deadline.

The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent to the City, the Bankruptcy Court or any entity other than the Balloting Agent.



1353846140506220827015992

**PLEASE READ THE VOTING INFORMATION AND
INSTRUCTIONS ATTACHED BEFORE COMPLETING THIS BALLOT.**

PLEASE COMPLETE ITEMS 1 AND 2 BELOW. IF NEITHER THE "ACCEPT" NOR "REJECT" BOX IS CHECKED IN ITEM 1, OR IF BOTH BOXES ARE CHECKED IN ITEM 1, THIS BALLOT WILL NOT BE COUNTED AS CAST.

IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Class Vote. The undersigned, a retired GRS Pension Claim Holder in Class 11 as of March 1, 2014 against the City of Detroit, Michigan, votes to (check one box):

☐ **ACCEPT** the Plan.

☐ **REJECT** the Plan.

If you accept the Plan, you are voting to approve a release of any claims that you may have against the State, the City, and other entities in connection with the loss of part of your pension.

If you vote to accept the Plan, you are also voting to approve certain other cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan. Such provisions include, but are not limited to, the provisions contained in Article III.D, Article IV.J, Article IV.K and Article V.C of the Plan. These provisions include the release of claims against the State of Michigan and may affect your rights and interests regarding certain other nondebtor parties, but only if the Initial Funding Conditions are met or waived by the Confirmation Hearing. By accepting the Plan AND if the Initial Funding Conditions are satisfied or waived, you will be forever releasing any rights you may have against the State and other nondebtor parties for matters described in the Plan and you will be forever barred from suing the State or other nondebtor parties for matters described in the Plan. Specifically, this release would release all claims and liabilities arising from or related to the City, the chapter 9 case (including the authorization given to file the chapter 9 case), the Plan and exhibits thereto, the Disclosure Statement, PA 436 and its predecessor or replacement statutes, and Article IX, § 24 of the Michigan Constitution.

If the Plan is confirmed, you will not be able to challenge the Annuity Savings Fund Recoupment that will be deducted from your monthly pension check.

If you vote to accept the Plan and the Initial Funding Conditions are NOT satisfied or waived before the Confirmation Hearing, your vote will be deemed to be a vote to reject the Plan.

Creditor [Name/Identifier]: PHILLIPS, CONSTANCE / 2310

Amount of Pension Claim: \$181,094.00

PLEASE COMPLETE ITEM 2 ON THE NEXT PAGE



Item 2. Certifications. By signing this Ballot, the undersigned certifies that he, she or it:

- i. was retired as of March 1, 2014;
- ii. is the Holder of a GRS Pension Claim in Class 11 to which this Ballot pertains, or is an authorized signatory, and has full power and authority to vote to accept or reject the Plan with respect to such Claim;
- iii. received a copy of the solicitation package consisting of: (a) a notice regarding the time and place of a hearing to consider confirmation of the Plan, (b) a CD-ROM including the Plan, Disclosure Statement and the exhibits to each filed to date, (c) a Ballot and a ballot return envelope, (d) a copy of certain rules governing the tabulation of ballots, (e) a plain language description of the Plan, (f) a cover letter and (g) a letter from the GRS and possibly from other parties;
- iv. has not submitted any other Ballots for Class 11 that are inconsistent with the vote to accept or reject the Plan set forth in this Ballot, or if such other ballots were previously submitted, they have been revoked or changed to reflect the vote of this Ballot; and
- v. understands that a vote to accept the Plan is a vote to accept certain cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan.

PHILLIPS, CONSTANCE

Name

2310

Fed. Tax I.D. No. or Last 4 Digits of Social Sec. No. (optional)

Signature

If by Authorized Agent, Name and Title

Name of Institution

2720 E LAFAYETTE ST APT 103
DETROIT, MI 48207-3959

Address

Telephone Number

Date Completed

Email Address



**CITY OF DETROIT
PINK BALLOT
INFORMATION CONTENT RECEIVED
BY
CONSTANCE M. PHILLIPS (RETIREE)**

PRF # 66113
Case No.: 13-53846
Svc: 2

PackID: 1681
NameID: 11892346

PHILLIPS, CONSTANCE
2720 E LAFAYETTE ST APT 103
DETROIT, MI 48207-3959

Replacement Ballot, Class 11 GRS Pension Claims – Retirees

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re

CITY OF DETROIT, MICHIGAN,

Debtor.

Chapter 9

Case No. 13-53846

Hon. Steven W. Rhodes

**REPLACEMENT BALLOT FOR ACCEPTING OR REJECTING THE
PLAN FOR THE ADJUSTMENT OF DEBTS OF THE CITY OF DETROIT**

CLASS 11: GRS Pension Claims – Retirees

Claimant's [Name/Identifier]: PHILLIPS, CONSTANCE / 2310

Allowed Claim for Voting Purposes: \$179,328.00

**THE "VOTING DEADLINE" TO ACCEPT OR REJECT THE
PLAN IS 5:00 P.M., EASTERN TIME, ON JULY 11, 2014**

**ALL AMOUNTS STATED ON THIS BALLOT ARE ESTIMATES.
YOUR FINAL, ACTUAL PENSION AMOUNTS WILL BE
DETERMINED BY THE GENERAL RETIREMENT SYSTEM
AFTER THE CITY'S PLAN IS CONFIRMED. YOUR ACTUAL
PENSION AMOUNTS MAY BE MORE OR LESS THAN THE
ESTIMATES CONTAINED IN THIS BALLOT.**

This Ballot is for RETIREES OR SURVIVING BENEFICIARIES WHO ARE CURRENTLY RECEIVING PENSION payments from the General Retirement System of the City of Detroit ("GRS").

GRS Pension Claims are included in Class 11 under the *Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Plan").¹

Please complete, sign and date the Ballot and mail it by regular mail to Kurtzman Carson Consultants LLC (the "Balloting Agent") in the enclosed addressed envelope so that it is ACTUALLY RECEIVED by the July 11, 2014 Voting Deadline.

DO NOT RETURN THE BALLOT TO THE CITY OF DETROIT, THE BANKRUPTCY COURT OR ANYONE OTHER THAN THE BALLOTING AGENT.

Ballots may not be submitted by fax, email or other electronic means.

Please contact the Balloting Agent if you have questions regarding the ballot return instructions. PLEASE NOTE, HOWEVER, THAT THE BALLOTING AGENT IS NOT PERMITTED TO PROVIDE LEGAL ADVICE.

¹ Capitalized terms used in this Ballot and the attached instructions that are not otherwise defined have the meanings given to them in the Plan.

The City of Detroit, Michigan (the "City") is soliciting votes with respect to the Plan, which is described in the accompanying *Fourth Amended Disclosure Statement with Respect to Fourth Amended Plan for the Adjustment of Debts of the City of Detroit (May 5, 2014)* (as it may be amended, supplemented or modified, the "Disclosure Statement"). The Disclosure Statement was approved by the Bankruptcy Court on May 5, 2014. By orders entered on March 11, 2014 and May 5, 2014, the Bankruptcy Court approved procedures regarding the solicitation and tabulation of votes on the Plan.

You are receiving this Ballot because you are a retired Holder of a GRS Pension Claim as of March 1, 2014 (the "Pension Record Date").

Your GRS Pension Claim has been temporarily allowed in the estimated amount of \$179,328.00 only for the purpose of voting on the Plan. The actual amount of the claim may change before the end of the bankruptcy case.

The Plan proposes two possible treatments for GRS Pension Claims, described below as "Alternative A" and "Alternative B." The results of the voting on the Plan will determine whether the GRS will receive money from proposed settlements with third-party foundation funders, The Detroit Institute of Arts and the State of Michigan (the "Outside Funding"). The Outside Funding also depends, in part, on Bankruptcy Court approval of the settlements and the fulfillment by the outside funders of their respective commitments.

You cannot avoid a reduction of your pension benefits by refusing to vote. If the Plan is confirmed, your pension will be reduced.

NOTICE REGARDING EFFECT OF VOTING ON RELEASES OF CLAIMS

If you vote to accept the Plan: You may be giving up any right you may have to sue the State of Michigan, the City or other entities specifically protected by the Plan releases, to try to recover the full amount of your pension, only if the necessary conditions (the "Initial Funding Conditions") for the funding from the State and the other Outside Funding parties that can be satisfied before the Confirmation Hearing are satisfied or waived. These preconditions include adoption of relevant legislation and appropriations by the State and completion of necessary agreements and documents by the State and the other Outside Funding parties, among other things.

If you vote to accept the Plan and the Initial Funding Conditions are not satisfied or waived: Your vote will be deemed a vote to reject the Plan.

If you vote to reject the Plan: If you vote to reject the Plan, it will be less likely that the Outside Funding will be available. Nevertheless, if Classes 10 and 11 vote to accept the Plan so that the State funding will be made despite your vote to reject the Plan, you will not have any right to sue the State of Michigan, State officials, the City or other entities specifically protected by the Plan releases to try to recover the full amount of your pension, but you will benefit if the Outside Funding is received.

ALTERNATIVE A: If both Class 10 (the PFRS Pension Claims) and Class 11 (the GRS Pension Claims) vote to accept the Plan and the Court approves the Plan, the Outside Funding will be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:

\$1,806.21

Line 2: Line 1 multiplied by 0.955 (to show a 4.5% reduction) is:

\$1,724.93

Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***

\$58.24

Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:

\$1,666.69

*** The total Estimated Amount of your Annuity Savings Plan Recoupment is:

\$8,528.45

ALTERNATIVE B: If either Class 10 or Class 11 votes to reject the Plan and the Court approves the Plan, the Outside Funding will not be contributed to GRS. Under this alternative, your monthly pension payments are estimated to change as follows:

Line 1: Your Current Monthly Pension Is:

\$1,806.21

Line 2: Line 1 multiplied by 0.73 (to show a 27% reduction) is:

\$1,318.53

Line 3: Your Estimated Annuity Savings Fund Monthly Recoupment is:***

\$58.24

Line 4: Your New Estimated Monthly Pension Payment (flat payment; no COLAs) is:

\$1,260.29

*** The total Estimated Amount of your Annuity Savings Plan Recoupment is:

\$8,528.45

In addition, if you vote for the Plan and the adjusted pension amount you are to receive under the Plan is so low that your total income falls below a certain level, you may be eligible to receive supplemental payments. These additional payments will not be available to higher income retirees.

For more information regarding the calculation of the amount of your allowed claim and your monthly pension payments, please consult with your counsel and/or counsel to the Retiree Committee at detroitretirees@dentons.com.

SUBMITTING YOUR BALLOT:

If you were not retired or a surviving beneficiary as of the Pension Record Date, if you did not hold a GRS Pension Claim as of the Pension Record Date, or if you believe for any other reason that you received the wrong ballot, please contact the Balloting Agent immediately at (877) 298-6236 or via email at detroitinfo@kccllc.com.

To have your vote counted, you must complete, sign and return this Ballot in accordance with the voting information and instructions provided below. You must complete your Ballot and return it to the Balloting Agent so that it is actually received by the Voting Deadline.

The Balloting Agent will not accept Ballots received after the Voting Deadline or Ballots delivered by email, fax or any other electronic method. Ballots should not be sent to the City, the Bankruptcy Court or any entity other than the Balloting Agent.

**PLEASE READ THE VOTING INFORMATION AND
INSTRUCTIONS ATTACHED BEFORE COMPLETING THIS BALLOT.**

PLEASE COMPLETE ITEMS 1 AND 2 BELOW. IF NEITHER THE "ACCEPT" NOR "REJECT" BOX IS CHECKED IN ITEM 1, OR IF BOTH BOXES ARE CHECKED IN ITEM 1, THIS BALLOT WILL NOT BE COUNTED AS CAST.
IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Class Vote. The undersigned, a retired GRS Pension Claim Holder in Class 11 as of March 1, 2014 against the City of Detroit, Michigan, votes to (check one box):

☐ ACCEPT the Plan.

☒ REJECT the Plan.

PLEASE COMPLETE ITEM 2 ON THE NEXT PAGE.



Item 2. Certifications. By signing this Ballot, the undersigned certifies that he, she or it:

- i. was retired as of March 1, 2014;
- ii. is the Holder of a GRS Pension Claim in Class 11 to which this Ballot pertains, or is an authorized signatory, and has full power and authority to vote to accept or reject the Plan with respect to such Claim;
- iii. received a copy of the solicitation package consisting of: (a) a notice regarding the time and place of a hearing to consider confirmation of the Plan, (b) a CD-ROM including the Plan, Disclosure Statement and the exhibits to each filed to date, (c) a Ballot and a ballot return envelope, (d) a copy of certain rules governing the tabulation of ballots, (e) a plain language description of the Plan, (f) a cover letter and (g) a letter from the GRS and possibly from other parties; and
- iv. understands that a vote to accept the Plan is a vote to accept certain cancellation, discharge, exculpation, expungement, injunction and release provisions contained in the Plan.

PHILLIPS, CONSTANCE

Name

2310

Fed. Tax I.D. No. or Last 4 Digits of Social Sec. No. (optional)

Constance M. Phillips

Signature

n/a

If by Authorized Agent, Name and Title

n/a

Name of Institution

2720 E LAFAYETTE ST APT 103
DETROIT, MI 48207-3959

Address

(313) 393-3277 / 370-3820

Telephone Number

4/7/2014

Date Completed

C.PHILLIPS2577@comcast.net

Email Address